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27 April 1955

MEMORANDUM FOR THE RECORD

SUBJECT: NIE 63.1-2-55: "Possible Developments in South Vietnam"

Background

1. The estimate was initiated 19 April 1955 by the Director of Central Intelligence, anticipating a request by the Department of State for an intelligence appreciation of likely developments in the event Premier Ngo Dinh Diem of South Vietnam (a) is removed by Bao Dai, or (b) remains in office at least temporarily. The estimate was produced on a crash basis, for completion 26 April.

2. Terms of reference were prepared 19 April by O/NE, and were reviewed that evening by the Secretary of State. Revised O/NE terms of reference were distributed to the agencies 20 April. O/NE prepared a draft text without agreed terms and contributions.

3. The IAC representatives met Saturday, 23 April. The DCI reviewed the agreed text Sunday, 24 April, and suggested certain changes which were introduced at the IAC which met and approved the estimate in special session Monday, 25 April. The DCI reviewed this agreed text, and again suggested certain changes which were introduced at the IAC's regular meeting, Tuesday 26, at which time the estimate was approved as amended.

Substance

4. Considerable differences of judgment were encountered. The principal substantive differences revolved about the questions of (a) Diem's shortcomings and the degree to which the present crisis in Saigon can be attributed to him; (b) French motives and policy; (c) the ability and willingness of the US to place pressure, if so decided, on France; and (d) the outlook if Diem is retained in office.

5. The general positions of G-2 and the Joint Staff on these questions constitute in a sense the two opposite poles within which the estimate was written. G-2 maintained that the Saigon crisis had

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been brought on principally by Diem's shortcomings; that French policy was more or less honorable; that the French could not be persuaded by the US to accept a continuance of Diem in office; and that there is no possibility of a "Diem solution" in South Vietnam. The Joint Staff held, on the contrary, that French opposition to Diem and support of the gangster Binh Xuyen were the chief causes of the crisis; that the US could, if it so wished, almost certainly persuade the French to accept a "Diem solution"; and that the outlook under such a solution was not necessarily as dim as that estimated by G-2. The Board's position, and that of the final draft, is for the most part mid-way between these views of G-2 and the Joint Staff.

SHERMAN KENT
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cc: Development File

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